

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

HB 106 – SB 2058

March 24, 2011

SUMMARY OF BILL: Authorizes recipients of Hope Scholarships to maintain eligibility by remaining in good standing as defined by the eligible postsecondary institution at which the student is enrolled, and by meeting all other non-academic requirements for the scholarship. Authorizes certain students who transfer from out-of-state postsecondary institutions to eligible postsecondary institutions within Tennessee to be eligible for the Hope Scholarship if the students are in good standing with the institutions from which they are transferring, and they meet all other requirements.

ESTIMATED FISCAL IMPACT:

**Increase State Expenditures - \$90,496,000/FY11-12/Lottery for Education Account
\$93,806,000/FY12-13 and Subsequent Years/Lottery
for Education Account**

Assumptions:

- Based on information provided by the Tennessee Student Assistance Corporation (TSAC), this bill will apply to multiple cohorts of students (sophomores, juniors, seniors, and fifth-year seniors).
- TSAC estimates there will be 19,897 students attending eligible four-year institutions (that receive an annual scholarship award of \$4,000), and 5,454 students attending eligible two-year institutions (that receive an annual scholarship award of \$2,000), that will retain their scholarships in FY11-12 as a result of remaining in good standing with their respective institutions. These students will not retain their scholarships under current law.
- The increase in expenditures from the Lottery for Education Account (LFEA) will be \$90,496,000 $[(19,897 \times \$4,000) + (5,454 \times \$2,000)]$ in FY11-12.
- TSAC estimates there will be 20,643 students attending eligible four-year institutions (that receive an annual scholarship award of \$4,000), and 5,617 students attending eligible two-year institutions (that receive an annual scholarship award of \$2,000), that will retain their scholarships in FY12-13 and subsequent years as a result of remaining in good standing with their respective institutions. These students will not retain their scholarships under current law.
- The increase in expenditures from the LFEA will be \$93,806,000 $[(20,643 \times \$4,000) + (5,617 \times \$2,000)]$ in FY12-13 and subsequent years.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in blue ink, appearing to read "James W. White". The signature is fluid and cursive, with the first name "James" written in a smaller, more compact script than the last name "White".

James W. White, Executive Director

/rnc